UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/AC.109/2055
17 June 1996

ORIGINAL: ENGLISH

SPECIAL COMMITTEE ON THE SITUATION
WITH REGARD TO THE IMPLEMENTATION
OF THE DECLARATION ON THE GRANTING
OF INDEPENDENCE TO COLONIAL
COUNTRIES AND PEOPLES

# BRITISH VIRGIN ISLANDS

Working paper prepared by the Secretariat

CONTENTS


| | | Paragraphs | Page |
|---|---|---|---|
| I. | GENERAL | 1 - 2 | 3 |
| II. | CONSTITUTIONAL AND POLITICAL DEVELOPMENTS | 3 - 11 | 3 |
| | A. Constitutional developments | 3 - 5 | 3 |
| | B. Changes in Government | 6 - 8 | 4 |
| | C. Political parties and elections | 9 - 10 | 4 |
| | D. Public service | 11 | 4 |
| III. | ECONOMIC CONDITIONS | 12 - 36 | 5 |
| | A. General | 12 - 13 | 5 |
| | B. Public finance | 14 - 18 | 5 |
| | C. Land development and construction | 19 | 6 |
| | D. Agriculture, livestock and fisheries | 20 - 22 | 6 |
| | E. Industrial development | 23 - 24 | 6 |


96-15168 (E) 240696 250696

CONTENTS (continued)


| | | Paragraphs | Page |
|---|---|---|---|
| | F. International business and finance | 25 - 29 | 7 |
| | G. Tourism | 30 - 34 | 7 |
| | H. Assistance from the United Nations system of organizations | 35 | 8 |
| | I. Public debt | 36 | 8 |
| IV. | SOCIAL CONDITIONS | 37 - 42 | 8 |
| | A. Labour | 37 | 8 |
| | B. Public health | 38 - 41 | 9 |
| | C. Crime and crime prevention | 42 | 9 |
| V. | EDUCATIONAL CONDITIONS | 43 - 45 | 9 |
| VI. | PARTICIPATION IN REGIONAL ORGANIZATIONS AND ARRANGEMENTS | 46 | 10 |
| VII. | FUTURE STATUS OF THE TERRITORY | 47 - 49 | 10 |
| | A. Position of the territorial Government and the administering Power | 47 | 10 |
| | B. Consideration by the General Assembly | 48 - 49 | 10 |

# BRITISH VIRGIN ISLANDS 1/

## I. GENERAL

1. The British Virgin Islands comprises nearly 30 islands and islets, 16 of which are inhabited. They cover a total of 153 square kilometres and lie 96 kilometres east of Puerto Rico and 225 kilometres north-west of Saint Kitts and Nevis. The Territory also lies close to the United States Virgin Islands. The most important islands in the Territory are Tortola (54 square kilometres, the largest in the group), Anegada (38 square kilometres), Virgin Gorda (21 square kilometres) and Jost Van Dyke (9 square kilometres). Peter Island and Cooper Island are mainly holiday resorts. The main airport is situated on Beef Island. Road Town, the capital, is located on Tortola. The climate is subtropical and is moderated by trade winds. The average temperature in winter ranges from 20 to 28 degrees centigrade and in summer from 26 to 31 degrees centigrade. Mean annual rainfall is 1,270 millimetres.

2. According to 1995 estimates, the population of the British Virgin Islands was 18,000. Over 90 per cent of the population is of African descent. Owing to the Territory's special relationship with the United States Virgin Islands, its residents are exempt from the visa requirements of the United States of America when visiting the United States Virgin Islands. As a result of this arrangement the Territory continued to experience some difficulties with illegal immigrants who use the British Virgin Islands as a springboard for entering the United States Virgin Islands.

## II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

### A. Constitutional developments

3. The Territory is administered by the British Virgin Islands Constitutional Order, 1976, as amended in 1979 and 1982, a detailed description of which is contained in a previous working paper on the Territory prepared by the Secretariat (A/AC.109/1180, paras. 6-12).

4. As reported previously (see A/AC.109/1142, paras. 13-15, and A/AC.109/1180, paras. 13-18) the administering Power conducted a constitutional review in the British Virgin Islands in 1993 at the request of the territorial Legislative Council.

5. In its report, the Constitutional Review Commission submitted about 31 recommendations relating to the future status of the Territory, the powers of the Governor, the composition of the Executive Council and the Legislative Council, the election of the Chief Minister by voting at large, the abolition of proxy voting, the election of the Speaker, the membership of the Attorney-General in the Legislative Council ex officio, general elections, the Public Service Commission, nationality and belonger status, a bill of rights, register of interests, ombudsman, etc. (for details, see A/AC.109/2017, paras. 5-21).

## B. Changes in Government

6. A new Governor, Mr. David Mackilligin, was sworn in on 21 June 1995 after his predecessor, Mr. Peter A. Penfold, completed his term of office (October 1991-June 1995). The new Governor is likely to face some constitutional issues already considered by the Constitutional Review Commission, namely, the possibility of a fifth ministry and the anticipated bill of rights, as well as other changes recommended by the Commission. A fifth ministry is reported to be needed to "spread wider the heavy burden of executive government". It is also thought that a bill of rights is long overdue and it would afford citizens the right to challenge the constitutionality of unjust laws.

7. With the death of Chief Minister Lavity Stoutt on 14 May 1995, the Governor appointed the Deputy Chief Minister and Minister of Health, Education and Welfare, Mr. Ralph O'Neal, as interim Chief Minister. Although the Constitution does not specifically address the legislative effect of a Chief Minister dying in Office, it allows the Governor "acting in his discretion to appoint as Chief Minister the elected member of the Legislative Council who, in his judgement, is the best able to command the support of a majority of the elected members of the Legislative Council". The death of the Chief Minister left the Legislative Council with equal numbers on the government side and the opposition.

8. Following the by-election held in July 1995 for the vacant seat of the former Chief Minister, Mr. Ralph O'Neal was appointed Chief Minister and Minister of Finance.

## C. Political parties and elections

9. There are three political parties in the British Virgin Islands: the Virgin Islands Party (VIP), the United Party (UP) and the Concerned Citizens Movement (CCM). 2/

10. The last general elections, held in the Territory on 20 February 1995 (for details, see A/AC.109/2017, paras. 2 and 3), involved changes in the electoral system recommended by the Constitutional Commission by adding 4 new legislators to the previous 9, thereby increasing the total number of members in the Legislative Council to 13.

## D. Public service

11. As of 31 December 1995, the total number of public sector workers in the Territory was 2,522; of that number, 1,399 employees were encumbering establishing posts in the civil service; 697 were non-established/daily rated employees; and 426 were salaried employees on statutory boards and quangos. The territorial Government considers the total number of civil servants to be very high given the total population (18,000) and a labour force of approximately 11,000 people. The 1996 draft estimate includes some $6.6 million, representing the annual incremental cost of paying increased salaries and wages to civil servants ($5,532,200) and non-established/daily rate employees ($1,045,700). 3/

## III. ECONOMIC CONDITIONS

### A. General

12. The economy of the British Virgin Islands continued to be based on tourism and financial services, and the sustained growth rates in these areas are possible indicators that the Territory has rebounded from the past three hurricanes, "Hugo", "Luis" and "Marilyn". Government policies emphasize an ongoing commitment to the development of these two sectors, as well as to broadening and diversifying the economic base. Other objectives of the Government's development strategy are the attainment of sustainable growth by expanding the basic economic foundation and physical infrastructure, maximizing revenue potential and raising the standard of living through more equitable distribution of economic gains. 4/

13. In his budget address, the Chief Minister and Minister of Finance said that the preliminary data from the Statistical Division in the Development Planning Unit indicated that real gross domestic product growth in the Territory rose to 4.0 per cent, compared with 3.5 per cent in 1994. Much of the improved performance could be attributed to the continued expansion in the financial services sector, a rebounding tourism trade and the continuing development of linkages between these two sectors. 3/ The agriculture and manufacturing sectors are small and provide limited impact on the economy.

### B. Public finance

14. In March 1996, the Legislative Council approved the budget estimates for 1996. Recurrent revenue was estimated at approximately $100.6 million and recurrent expenditure was estimated at approximately $89.3 million. The budget estimates resulted in a surplus estimated at $11.2 million. Of the estimated surplus, $10.5 million was to be contributed to the capital fund to assist in financing the capital budget for 1996. 3/

15. The revised estimates for expenditure for 1995 were $93.9 million as against the original estimates of $81.8 million. 3/

16. Estimated recurrent expenditure for 1996 includes, inter alia, the following: Deputy Governor's Office, $11.7 million; Chief Minister's Office, $9.7 million; Ministry of Finance, $8.8 million; Ministry of Natural Resources and Labour, $4.4 million; Ministry of Education and Culture, $14.7 million; Ministry of Health and Welfare, $13.2 million; and Ministry of Communication and Works, $16.6 million. 3/

17. The 10 largest capital projects for the financial year 1996 are the following: road improvement and maintenance, $4 million; new prison, $1.8 million; H. Lavity Stoutt Community College, $118 million; land acquisition, Belmont, $1.1 million; Drakes Highway, $1.1 million; new police barracks, $0.9 million; Anegada airport, $0.7 million; Queen Elizabeth II Bridge, $0.5 million; Virgin Gorda administration building, $0.4 million; and water distribution projects, $0.4 million. 3/

18. The Legislative Council approved a capital budget of $27.2 million, which anticipated new borrowing of $720,000 as counterpart financing to a $500,000 local contribution for the Beef Island Airport Expansion Project. 3/

## C. Land development and construction

19. The major capital works scheduled for commencement or continuation in 1996 (see para. 17) were spread throughout the Territory from Anegada to Jost Van Dyke. These included the construction of the police barracks, the first phase of the road improvement and maintenance project (Blackburn Road), completion of the new prison at Balsum Ghat, H. Lavity Stoutt Community College Learning Resources Centre, completion of the road improvement and maintenance project (Drakes Highway), land purchases at Belmont and Nibbs Estates, Anegada airport, resurfacing and improvement, Rehabilitation of the Queen Elizabeth II Bridge, Virgin Gorda administration building, water distribution projects at Road Town, Jost Van Dyke, Virgin Gorda and Ridge Road. The improvement scheme at Road Town also continued. 3/

## D. Agriculture, livestock and fisheries

20. Agriculture is restricted to food crops and pasture, mainly on Tortola, Jost Van Dyke and Virgin Gorda. Food crops include fruits and vegetables; sugar cane is grown for the rum production industry. The Government has been encouraging investment in the sector, particularly in the establishment of hydroponic operations for fresh vegetable production. Stock raising is another subsector, primarily hybrids from Senegal and English Red Polls. 4/

21. The Territory's coastal waters are rich in fish for both home consumption and export. The use of larger boats and more advanced technology has increased the size of the catch. The sector accounts for less than 10 per cent of the gross domestic product. 4/

22. In his budget address, the Chief Minister and the Minister of Finance stated that agricultural output had been much lower than originally anticipated. However, efforts were being made to formalize the Territory's membership in the Caribbean Agricultural and Research Development Institute (CARDI). It was expected that CARDI would establish an office in the Territory to assist the Department of Agriculture in on-farm research and development in aspects of livestock, nutrition, integrated vegetable production and marketing programmes. 3/

## E. Industrial development

23. The manufacturing sector continued to have a low level activity. The Government has for some time undertaken measures to stimulate this sector by strengthening and expanding the programmes of the Trade, Investment and Promotion Department to include consumer protection and small business development, etc. (see A/AC.109/2017, para. 37).

24. In addition to the rum industry, there are two ice making plants and some cottage industries catering primarily to the tourist market, as well as small boat manufacturing companies. The repair and maintenance of yachts is an important local industry. The Territory also produces some construction materials. 4/

## F. International business and finance

25. In his budget address, the Chief Minister and Minister of Finance stated that information on the registration of international business companies reflected a robust performance in 1995 and that the British Virgin Islands continued to be the premier offshore corporate domicile centre. In 1995, 32,523 new international business companies were incorporated, bringing the total number of such companies at the end of that year to 168,642, or some 27 per cent above corresponding figures for 1994. 3/

26. In order to intensify the efforts to diversify the financial services sector offerings and to enhance the attractiveness of the Territory as a financial services centre, legislation would be introduced in respect of limited partnership, limited life companies and mutual funds.

27. The Government was also considering the introduction of legislation affecting insolvency and ship registration towards the end of 1995. These measures, together with the Insurance Act 1994, the Trustee Amendment Act 1993 and the International Business Companies Act, would provide the Territory with necessary legislative infrastructure for a thriving and sustainable offshore industry. 3/

28. The Chief Minister and Minister of Finance in his budget address stated that his administration remained committed to a process of ongoing law revision to ensure that legislation and programmes related to the Territory's financial services accorded with internationally accepted standards. 3/

29. The Caribbean Development Bank noted that the authorities in the Territory had announced policies consistent with fine-tuning, revising and enacting, where necessary, relevant laws to ensure that the offshore business industry was up to date with market requirements and that the Territory maintained its international competitiveness. 4/

## G. Tourism

30. According to the budget address, the arrival of visitors to the British Virgin Islands in 1995 increased by 7 per cent over the corresponding period in 1994, when it contributed $115 million in revenue. The increase was attributed to the intense promotional efforts on the part of the Tourist Board and the industry itself. 4/

31. The Chief Minister said that the Tourist Board subvention had been increased, although not by the amount asked for. The Board had been mandated to promote locally owned guest houses and villas and this was being done. Special

attention had been given to bringing the island of Anegada into the limelight. Electricity was being supplied to Jack Bay, Lobolly Bay and the north-west end of the island. Also a provision of $700,000 was made for resurfacing the airport and for its safety. 3/

32. As part of its efforts to promote the tourism sector, the Government pursued a policy to encourage the construction and expansion of hotels and the establishment of pioneer industries, with tax and duty exemptions available for up to 10 years.

33. The British Virgin Islands is reported to be unique among Caribbean islands for the relative importance of its yachting sector. Approximately 55 per cent of the overnight visitors stay on board yachts. 4/

34. The territorial Government paid particular attention to a new cruise tourism policy, to be supported by the Passenger Ships Act, in order to encourage cruise tourism on a year-round, long-term basis. 4/ To "minimize any adverse social and environmental impact", the number of vessels and passengers permitted within the Territory at any given time will be regulated. 5/

### H. Assistance from the United Nations system of organizations

35. Information concerning assistance from the United Nations system of organizations is contained in a United Nations Development Programme (UNDP) document entitled "Third country programme for the British Virgin Islands" (DP/CP/BVI/3 of 1 February 1995).

### I. Public debt

36. According to the budget address of 22 March 1996, the total committed national debt at the end of 1995 stood at $42.0 million. Loan proceeds of $3.3 million are expected to be drawn upon in 1996 to assist in funding projects such as the first phase of the road improvement and maintenance project (Blackburn Road), the Beef Island Airport Expansion Project and the completion of the Sea Defence Project along Drakes Highway. Total debt servicing for the year had been forecast at $4.48 million, which should bring the total outstanding public debt to $40.4 million by the end of 1996. The total national debt up to March 1996, including government guaranteed loans to statutory boards and public companies, was some $78.5 million. 3/

## IV. SOCIAL CONDITIONS

### A. Labour

37. Information on the labour situation is contained in the previous working paper prepared by the Secretariat (see A/AC.109/2017, paras. 46-48).

## B. Public health

38. The Territory continued to be served by the 50-bed Peebles Hospital on Tortola and by a number of health clinics throughout the Territory. There is also a private hospital. It is estimated that more than 50 per cent of medical care at the primary level is provided by private physicians. The Territory suffers from shortages of skilled nursing personnel. In 1992, the Territory had 21 doctors (12 in government services and 9 in private practice), 54 registered nurses, 32 nursing assistants, 4 pharmacies, 6 environmental health officers and 2 solid waste managers.

39. In 1995, the territorial Government embarked on a five-year plan (1995-1999) aimed at improving reproductive health services (see A/AC.109/2017, para. 50).

40. The territorial Government has expressed its interest in the introduction of a national health insurance scheme to contribute to the financing of health care for its residents. However, the scheme will depend on the completion of the requisite actuarial and financial studies to be done to test its economic and financial viability. 3/

41. In the meantime, the Department of Health has been formulating plans for new health centres in different communities and strengthening the existing centres with increased doctor hours. 3/ To begin with, the West End Centre would be visited by medical officers once a week and Jost Van Dyke twice monthly. Also proposals were examined to enlarge Peebles Hospital, particularly its laboratories, X-ray rooms and emergency room. 6/

## C. Crime and crime prevention

42. Information on crime and crime prevention is contained in the previous working paper prepared by the Secretariat (see A/AC.109/2017, paras. 52-54).

# V. EDUCATIONAL CONDITIONS

43. Education in the Territory continued to be free and compulsory for all children between 5 and 14 years of age. The territorial Government maintained as its priority the strengthening of the educational system (see A/AC.109/2017, paras. 55-57).

44. There are 18 public and 11 private primary schools on four islands: Tortola, Anegada, Virgin Gorda and Jost Van Dyke. There are two public high schools, one private high school and the Community College at Road Town. 7/

45. In its budget for 1996, the territorial Government allocated to the Ministry of Education and Culture recurrent expenditure of $14.7 million and capital expenditure of $1.9 million.

## VI. PARTICIPATION IN REGIONAL ORGANIZATIONS AND ARRANGEMENTS

46. The British Virgin Islands is an associate member of the International Labour Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Economic Commission for Latin America and the Caribbean (ECLAC) and its subsidiary bodies, including the Caribbean Development and Coordination Committee. The Territory is an associate member of the Caribbean Community (CARICOM) (see for details A/AC.109/2017, paras. 58-60).

## VII. FUTURE STATUS OF THE TERRITORY

### A. Position of the territorial Government and the administering Power

47. Information on the position of the territorial Government, as well as the administering Power, regarding future status is contained in previous working papers prepared by the Secretariat (see A/AC.109/1060, paras. 21-23; A/AC.109/1137, para. 4; A/AC.109/1142, paras. 18-33; A/AC.109/1180, paras. 26-38; and A/AC.109/2017, para. 61).

### B. Consideration by the General Assembly

48. On 11 October 1995, during the general debate on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, the representative of the United Kingdom of Great Britain and Northern Ireland made a statement stating the position of his Government to the 10 dependent Territories (see A/AC.109/2043, paras. 41-43).

49. On 6 December 1995, the General Assembly adopted, by a recorded vote of 146 to 4, with 3 abstentions, resolution 50/38 B section IV of which is specifically devoted to the British Virgin Islands.

## Notes

1/ The information in the present paper has been derived from published reports.

2/ The Beacon (Tortola), 12 February 1995.

3/ Budget address by the Chief Minister and Minister of Finance, 22 March 1996.

4/ Caribbean Development Bank, Annual Report 1995, p. 110.

5/ Caribbean Update, June 1995, p. 3.

6/ The Beacon (Tortola), 13 April 1995.

7/ Caribbean Development Bank, Annual Report 1996, p. 111.

---